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MARKET ANALYSIS - July 17, 2003

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While corn and soybeans continue to slip wheat has made an impressive rally despite what was generally considered to be mixed news in last week's government reports. It is not exactly clear as to why this is happening but the funds are buying up contracts by the truck load and there seems to be a decent amount of technical buying. All wheat exchanges are experiencing the same bullish momentum and spread trading between the exchanges is keeping things in line. Weekly export sales didn't spoil the party by the end of the week with wheat sales coming in at 660,000 tons, near the top end of trade guesses. The demise of the corn market is being driven by the fact that the increase in the USDA yield estimate supports the idea that the crop is getting bigger and bigger. Prominent Ag Economist Bill Tierney forecasts that this year's corn crop will reach 10.452 billion bushels, with a national average yield of 145 bushels an acre. The projected production is 182 million bushels larger than the USDA projection and is about 16% larger than last year's crop. Traders are continuing to look at the weather closely but we are getting to a point where bad weather can't hurt yields very much. Weekly export forecasts were expected to be in the 700-900 thousand ton range so traders (the ones who were long) were naturally disappointed when sales came in at 475,700 tons (old crop) and 186,100 tons (new crop). The good news however is that local basis seems to be spiking. The poor crush number released on Monday pressured the nearby (August) contract quite a bit. Bullish traders were really crushed on Thursday when ADM announced that it would close yet another crushing facility (in Missouri) because crush margins were sagging. The crush margin (the difference between the price of beans and oil and meal) have been suffering of late because of the low price of meal – caused because of the low demand for the meal (used for animal feed). Dwindling livestock numbers are to blame. Although the weather items continue to be viewed as a negative item for the beans we are still 2 to 3 weeks away from reaching the peak moisture needs. Considering we have given back about 60 cents in recent weeks it might be a fair bet that traders have taken out enough of a weather premium from the nearby futures. Indeed, by the end of the week the funds started to step in and support the market when they started to buy up nearby contracts. Sales numbers on Thursday helped too with another decent week for beans. Old crop sales were at 236,600 tons, with another 958,100 tons in new crop sales – as much as twice what some analysts were projecting.

BASIS TABLE

	CORN	BASIS	SOYBEA	N BASIS	WHEAT BASIS		
REGION	CASH (Sept 03) NEW (Dec 03)		(Sept 03) NEW (Dec 03) CASH (Aug 03) NEW (Nov 03)		CASH (Sept 03)	NEW (Jul 03)	
Western MD	+90	N/A	-14	N/A	-31	N/A	
Central MD	+61	Even	-9	-45	-25	-20	
Southern MD	+35	Even	-10	-26	-36	-31	
Upper E. Sh	+44	+5	-8	-26	-39	-34	
Lower E. Sh	+53	+12	+2	-17	-34	-29	

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

Rain last week resulted in 4.0 **days suitable for field work** for the week ending July 13, 2003. Air temperatures ranged in the 80's for highs and the 60's for lows and soil temperatures were in the high 70's. Some farmers were still planting **soybeans** with 76 percent planted. **Corn** fields were starting to tassel and some fields were sparse with weak stands. Small grain and hay harvest continues despite wet field conditions. Harvest is being hampered by weeds in some **barley** and **wheat** fields. Barley harvest is almost complete and wheat harvest is over half way complete. Test weights for both barley and wheat appear low.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES										
Grade and Commodity	#2 Y Shelled Corn		#2 Yel Soybo		#2 Red Winter Wheat		#3 Barley			
Date	7/09	7/16	7/09	7/16	7/09	7/16	7/09	7/16		
Western Md	2.99	2.98	6.08	5.71	2.80	2.93	2.04	2.22		
Central MD	2.81	2.69	5.88	5.76	2.89	2.99	1.95	1.95		
Southern MD	2.56	2.43	6.00	5.72	2.84	2.88	1.50	1.50		
Upper E. Sh	2.65	2.52	6.05	5.77	2.80	2.85	1.60	1.60		
Lower E. Sh	2.74	2.61	6.15	5.87	2.86	2.90	1.60	1.60		

Soybean Meal	Lower Eas	stern Shore	Dealer's Average	Cash Quotes (\$/ton)	
Date	7/09	7/16	Date	7/09	7/16
48% Soybean Meal	229.00	227.00	44% Soybean Meal	217.00	215.00

FORWARD CONTRAC	CT PRICE-RE	EGIONAL (\$	/bu) For Harve	est delivery D	ealer's Avg (Quote		
Grade and Commodity	#2 Y Shelled Corn					#3 Barley		
Date	7/09	7/16	7/09	7/16	7/09	7/16	7/09	7/16
Western Md								
Central MD	2.22	2.12	5.08	4.79	2.89	2.99	1.95	1.95
Southern MD	2.22	2.12	5.20	4.98	2.84	2.88		
Upper E Shore	2.27	2.17	5.20	4.98	2.80	2.85		
Lower E Shore	2.33	2.24	5.30	5.07	2.86	2.90		1.50

Corn			Soybeans	Wheat		Soybe	Soybean Meal 1	
Sept	208.00	Aug	582.00	Sept	320.75	Aug	181.80	
Dec	211.75	Sept	545.25	Dec	329.50	Sept	170.20	
Mr04	220.25	Nov	522.50	Mr04	335.75	Oct	159.30	
May	226.25	Ja04	525.25	Jul	319.00	Dec	158.20	
Jul	230.25	Mar	528.50			Ja04	159.00	
Dec	237.25	Nov	530.00			Mar	160.20	

HAY AND STR	AW (\$/cv	vt)							
New Holland, PA			003 - 45 L	oads					
Alfalfa 75.00-135		75	Mix 5.00-310.00)	Timothy 105.00-270.00	O ₁	chardgrass .00-190.00		Straw 00-165.00
Westminster, M					102.00 270.00	, ,	.00 170.00	02.	00 100.00
Alfalfa	Alfalfa M	lixed Tir	nothy	Timothy Mix	xed Timot	hy (lg rd)	Grass	Grass (lg rd	l) Mulch
1.10-2.80	1.00-1.		0-6.00	.90-2.40		00-25.00	.90-2.20	10.00-15.00	0 .1075
POULTRY (Gra	ide A) - V					e, (\$/cwt)	N/ /1 A		7 .
NY Wtd Avg. (Fr	rvers)		<u>rent Week</u> 59.02	<u>w</u>	Veek Ago 59.41		Month Ago 59.14	<u>Y</u>	Year Ago 51.00
12-City Composit			64.11		62.44		61.44		57.29
LAMBS - Westn				2003	02.11		01.11		37.25
	15 lbs	92.00-1		Good L-0	Ch 50-80	lbs 75.00	-90.00 Shee	p 51 hd	25.00-35.00
	90 lbs	95.00-1			30-50			1	
TERMINAL MA	RKETS	HOGS - Jul	y 17, 2003		DIRECT M	IARKET H	OGS - Westmi	nster, MD-Ju	ıly 16, 2003
Base Price Range	(\$/cwt)	Carcass I	Basis	Sows (1-3)	#1 &2	220-270 lb	os 40.00-41.00	280-30	0 lbs 35.00-39.2
a.m.		Base 185 ll		00-449 lbs					
Eastern Cornbelt		50.00-59		26.50-39.38	#2&3	220-260 lb			5 lbs 23.00-28.0
lowa, Minn		51.00-58	3.25	6.50-39.15	Millsboro,	DE Market	Hogs - (\$/cwt)	- July 15, 20	003 - \$38.00
FEEDER PIGS						1.04	1 10 2002		
Gumboro, DE - Head: 281	July 15, Trend:				New Hol	land, PA - 303 T	July 18, 2003 rend:	Effective Imn	adiataly
Under 30 lbs	50.00-10)-40 lbs	50.00-71.00					o feeders will be
30-30 lbs	57.00-10)-69 lbs	61.00-64.00			-	-	n o t i c e
CATTLE-LIVE (\$/cwt) - July 16		ES-Chicago	Mercanti	le Exchange		EAN FUTU July 16, 200	RES-Chicago	Mercantile E	xchange
Jul	73.70	0	ct	73.65	Aug	6	2.70	Fb04	57.52
Aug	72.00	De		75.40	Oct		6.20	Apr	59.70
Sept	73.35	Fk	b04	76.02	Dec	5	4.15	May	61.80
STOCKER-FEE			\$/cwt)						
Winchester, VA	•	1				er, MD - Ju	•		
Steers		0-500 lbs 0-600 lbs		.00- 98.00	Steers		200-40 400-50		80.00-101.0 85.00- 93.0
		0-000 lbs		.00-101.00	Heifers		500-60		79.00- 89.0
		0-800 lbs		.50- 84.75			200-40		80.00- 87.0
Heifers		0-400 lbs		.00-103.50			400-60		70.00- 80.0
	400	0-500 lbs	83	.25- 87.00	Hols Bulls	#1	94-12	0 lbs	130.00-155.0
	500	0-600 lbs	79	.00- 87.50			85- 9	2 lbs	100.00-125.0
	600	0-700 lbs	70	.00- 76.00		#2	94-12	0 lbs	95.00-125.0
	700	0-800 lbs	68	.00- 75.25			80- 9		60.00- 95.00
Lamassan Nam					Hols Heifer	rs #1	90-12	0 lbs	330.00-390.0
Lancaster, New		0 17:4	Wash Es	l! Tl 1	0 2002		, , , <u>-</u>		
Bull Holstoin		& Vintage -		•		Dlainer		5 lbg	
Bull, Holstein Heifers, Hols	90-	-125 lbs	145	.00-187.00]	Plainer Plainer	90-12		127.00-180.00
Heifers, Hols	90- 90-	-125 lbs -125 lbs	145	•]	Plainer Plainer			127.00-180.00
Heifers, Hols SLAUGHTER C Westminister, M	90- 90- C ATTLE	125 lbs 125 lbs (\$/cwt)	145	.00-187.00]		90-12		127.00-180.00
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt) y 15, 2003	145 250	.00-187.00	Fed He	Plainer	90-12 90-12	5 lbs	127.00-180.00 120.00-200.00
Heifers, Hols SLAUGHTER (Westminister, M Fed Steers H-Ch-Pr	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt)	77.00-80	.00-187.00 .00-390.00]	Plainer	90-12	5 lbs	127.00-180.00
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt) y 15, 2003	145 250	.00-187.00 .00-390.00	Fed He	Plainer Plainer	90-12 90-12	5 lbs	127.00-180.00 120.00-200.00
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt) y 15, 2003	77.00-80 74.00-78 68.00-70 64.00-67	.00-187.00 .00-390.00 .00-390.00 .00-390.00 .000 7.00	Fed He Ch Veal C	Plainer Pifers Pifers	90-12 90-12 1000-1100 250- 300	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt) y 15, 2003	77.00-80 74.00-78 68.00-70	.00-187.00 .00-390.00 .00-390.00 .00-390.00 .000 7.00	Fed He Ch Veal C	Plainer Plainer	90-12 90-12 1000-1100	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch Cows	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt) y 15, 2003	77.00-80 74.00-78 68.00-70 64.00-67 60.00-64	.00-187.00 .00-390.00 .00-390.00 .0.25 3.00 0.00 7.00 4.00	Fed He Ch Veal C	Plainer Pifers Pifers	90-12 90-12 1000-1100 250- 300	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt) y 15, 2003	77.00-80 74.00-78 68.00-70 64.00-67	.00-187.00 .00-390.00 .00-390.00 .0.25 3.00 0.00 7.00 4.00	Fed He Ch Veal C	Plainer Pifers Pifers	90-12 90-12 1000-1100 250- 300	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch Cows Breakers	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt) y 15, 2003	77.00-80 74.00-78 68.00-70 64.00-67 60.00-64	0.00-187.00 .00-390.00 0.25 3.00 0.00 7.00 4.00	Fed He Ch Veal C	Plainer Pifers Pifers	90-12 90-12 1000-1100 250- 300	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch Cows Breakers Boners	90- 90- CATTLE ID - July	125 lbs 125 lbs (\$/cwt) y 15, 2003	77.00-80 74.00-78 68.00-70 64.00-67 60.00-64 40.00-47 38.00-43	0.00-187.00 .00-390.00 0.25 3.00 0.00 7.00 4.00 7.75 3.00 0.00	Fed He Ch Veal C	Plainer Pifers Pifers	90-12 90-12 1000-1100 250- 300	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25 89.00-95.00
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch Cows Breakers Boners Lean Thin & Light Lancaster, New	90- 90- 2ATTLE ID - July 1250-1 1200-1	125 lbs 125 lbs (\$/cwt) y 15, 2003 1475 lbs	77.00-80 74.00-78 68.00-70 64.00-67 60.00-64 40.00-47 38.00-43 36.00-40 35.00-Do	.00-187.00 .00-390.00 .00-390.00 .000 .000 .000 .000 .000 .000 .00	Fed Ho Ch Veal C L-Ch Good S	Plainer Pifers Pifers	90-12 90-12 1000-1100 250- 300	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25 89.00-95.00
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch Cows Breakers Boners Lean Thin & Light Lancaster, New Steers, Choice, 2-	90- 90- CATTLE ID - July 1250-1 1200-1	125 lbs 125 lbs (\$/cwt) y 15, 2003 1475 lbs	77.00-80 74.00-78 68.00-70 64.00-64 40.00-47 38.00-43 36.00-40 35.00-D0 Week End	.00-187.00 .00-390.00 .00-390.00 .000 7.00 4.00 7.75 6.00 0.00 OWN ling - July 1	Fed Ho Ch Veal C L-Ch Good S 8, 2003 76.00- 80.75	Plainer eifers alves blaughter	90-12 90-12 1000-1100 250- 300 80 - 110	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch Cows Breakers Boners Lean Thin & Light Lancaster, New Steers, Choice, 2- Heifers, Choice 2	90- 90- 2ATTLE ID - July 1250-1 1200-1	125 lbs 125 lbs (\$/cwt) y 15, 2003 1475 lbs 1450 lbs	77.00-80 74.00-78 68.00-70 64.00-64 40.00-47 38.00-43 36.00-40 35.00-De	0.00-187.00 .00-390.00 0.25 3.00 0.00 7.00 4.00 7.75 5.00 0.00 0.00 0.00 0.00 0.00 1.00 1.0	Fed He Ch Veal C L-Ch Good S 8, 2003 76.00- 80.75 75.00- 79.00	Plainer Plainer Plainer Steal Steal Steal	90-12 90-12 1000-1100 250- 300 80 - 110	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch Cows Breakers Boners Lean Thin & Light Lancaster, New Steers, Choice, 2- Heifers, Choice 2 Cows, Breakers 7	90- 90- 2ATTLE ID - July 1250-1 1200-1	125 lbs 125 lbs (\$/cwt) y 15, 2003 1475 lbs 1450 lbs	77.00-80 74.00-78 68.00-70 64.00-64 40.00-47 38.00-40 35.00-D0 Week End 1070-14 980-14	0.00-187.00 .00-390.00 0.25 3.00 0.00 7.00 8.00 0.00 0.00 0.00 0.00 0	Fed He Ch Veal C L-Ch Good S 8, 2003 76.00- 80.75 75.00- 79.00 42.75- 50.75	Plainer Plainer Plainer Staughter Sta	90-12 90-12 1000-1100 250- 300 80 - 110 eady to firm eady eady to \$2	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25
Heifers, Hols SLAUGHTER C Westminister, M Fed Steers H-Ch-Pr Ch 2-3 H-Ch Hols L-Ch Dressing L-Ch Cows Breakers Boners Lean Thin & Light Lancaster, New Steers, Choice, 2- Heifers, Choice 2	90- 90- 2ATTLE ID - July 1250-1 1200-1 Holland 6-3 1-3 1-3	125 lbs 125 lbs (\$/cwt) y 15, 2003 1475 lbs 1450 lbs	77.00-80 74.00-78 68.00-70 64.00-67 60.00-64 40.00-47 38.00-40 35.00-D0 Week End 1070-14 980-14	.00-187.00 .00-390.00 .00-390.00 .000 .000 .000 .000 .000 .000 .00	Fed He Ch Veal C L-Ch Good S 8, 2003 76.00- 80.75 75.00- 79.00	Plainer Plainer Plainer Store Sto	90-12 90-12 1000-1100 250- 300 80 - 110	5 lbs lbs lbs	127.00-180.00 120.00-200.00 68.00-72.25 89.00-95.00

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